



Section M

Landlord & Site Services

PROJECT MANAGERS

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INTRODUCTION

Landlord and Site Services consists of Project Baseline Summary (PBS) RL-SS02, Work Breakdown Structure (WBS) 3.4.2.

NOTE: Unless otherwise noted, all information contained herein is as of the end of August 2002.

Fiscal-year-to-date milestone performance (EA, DOE-HQ, and RL) shows that all scheduled milestones have been completed ahead of schedule.

NOTABLE ACCOMPLISHMENTS

Landlord Services, 3.4.2.1

Water Line Repair – A lead-packed joint leak on a 14 inch raw water line near U-Plant, in the 200 West Area, was discovered July 23, 2002, near midnight. The leak was repaired with the use of a mechanical bell joint repair kit, which was modified on Site. Coordination of pipefitters and engineers aided in the developed of the repair kit, which proved to be a unique method for repairing the joint.



Mapping Services – Mapping Services has established a contract with CHG to provide support for the development and maintenance of waste site maps. This represents a significant accomplishment in support of the recent transition of Geographic Information System (GIS) scope from BHI to FH.

Hanford Fire Department's Apprenticeship Program – FH received a letter from the Washington State Department of Labor and Industries with the results of the 1999/2000 Compliance review of the Hanford Fire Department's apprenticeship program. The program successfully passed the review with only minor language changes to a single definition suggested. This was a review of our efforts to recruit, train and maintain a diverse workforce within the Hanford Fire Department with particular attention given to our efforts to identify qualified female and minority candidates for our apprenticeship program. The results were a culmination of over three years of focused activity and are a direct reflection of the Hanford Fire Department's commitment and support to maintaining the apprenticeship program and continuing to build a skilled and qualified diverse workforce.

Analytical Services, 3.4.2.2

DOE Analytical Managers Meeting – Supported the DOE Analytical Managers meeting where personnel from Savanna River, Argonne, Los Alamos, West Valley, and several other Sites were toured through WSCF and 222-S labs. Presentations were given on Hanford Analytical Services, and on a Quality Systems Manual for Analytical Services.

219-S Filter Housing – The State of Washington Department of Health (WDOH) provided notification that they have completed the review of the 219-S filter housing Notice of Correction closure letter and all additional information they had requested. They have determined that the facility meets all American Society of Mechanical Engineers (ASME) and American National Standards Institute (ANSI) AG-1 requirements for the installation. A closure letter is being prepared.

HSO Analytical Services Re-evaluating Pricing of TRU Waste Drums – Hanford Site Operations Analytical Services has re-evaluated the estimate for analysis of TRU Waste Drums Headgas analysis for FY 2003. Improved level loading of sample delivery to the WCSF laboratories, laboratory efficiencies already made, will reduce costs per drum to about half of the prior estimates. Higher throughputs would further reduce the unit cost.

Infrastructure Upgrades, 3.4.2.3

Project L-338, "Septic Tank Soil Absorption System to Relieve 2601-W1" – This project includes the design and installation of a new soil absorption system (drainfield) for the central and northern portions of the 200 West Area, including the PFP. The design was completed on July 9, 2002 and approved by the FH Design Authority on July 15, 2002. These documents were submitted to the Washington State Department of Health (WSDOH) for approval. Bids for the fixed price construction contract were opened on August 23, 2002 and awarded to the low qualified bidder (Morrison Construction) on August 29, 2002. An approval letter from the WDOH to initiate construction, per the submitted design, is expected by September 13, 2002 and is required prior to onsite construction. Field construction is scheduled to start of September 25, 2002 and complete in January 2003.

BREAKTHROUGHS / OPPORTUNITIES FOR IMPROVEMENT

Nothing to report.

UPCOMING ACTIVITIES

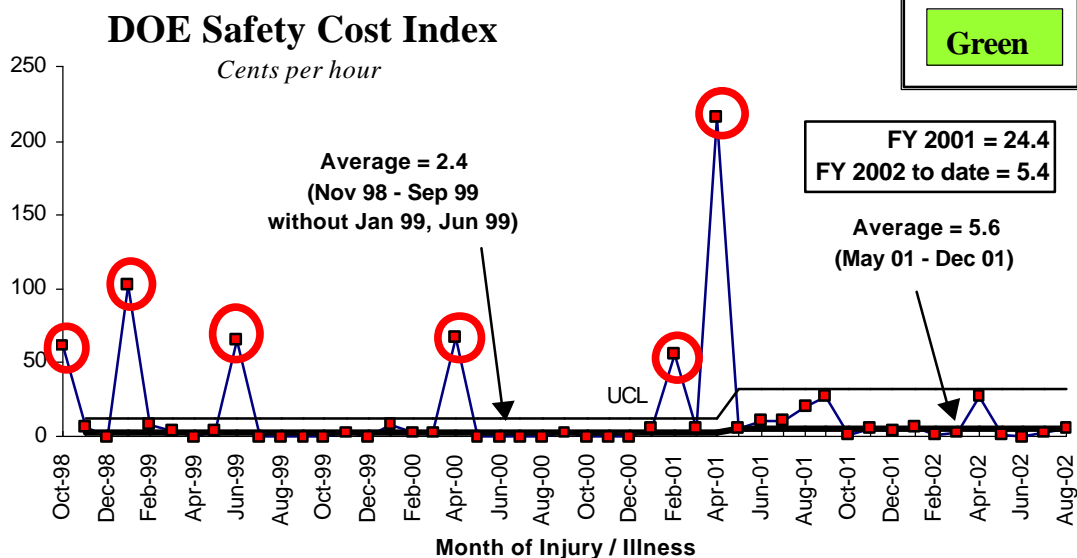
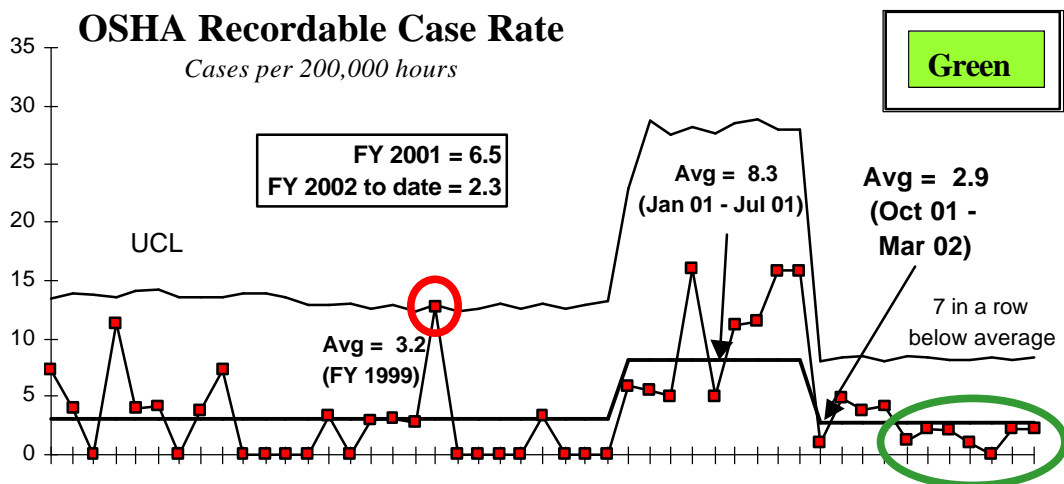
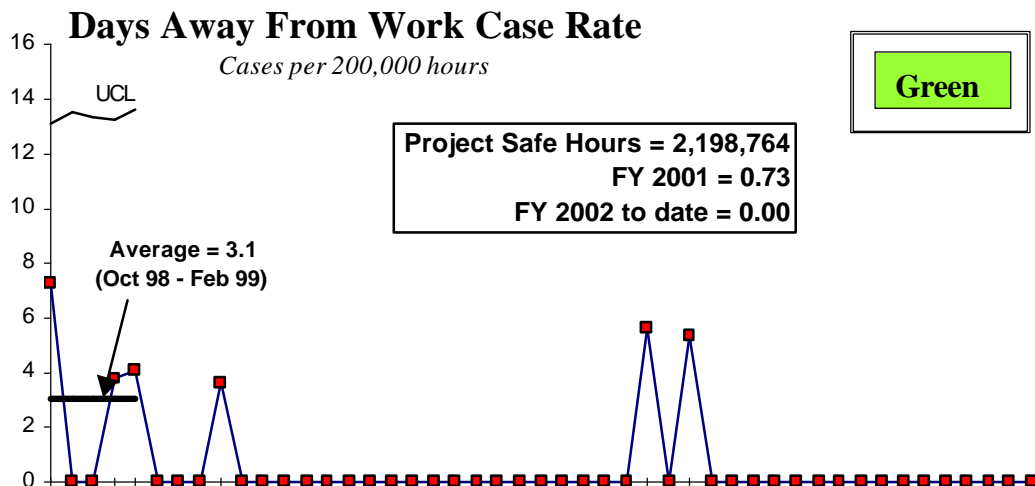
Energy Northwest Evaluated Drill – HFD has received a request to support an evaluated drill at Energy Northwest on September 17, 2002. The NRC will be evaluating the Columbia Generating Plant's ability to respond to an emergency. The HFD crews will play a large part in this drill.

Project L-337, "300 Area Pump Replacement 312 Building" – This project is to install two new pumps and motors, associated piping modifications, a new electrical service and some associated local controls to replace an existing pump that have deteriorated to the point where it is no longer providing reliable service. Construction completion and system startup are planned for late September 2002.

Project L-335, "Export Water Line to Meteorological Laboratory" – This project is to design and construct a replacement waterline for the deteriorated raw water line in the 600 Area, which supplies fire protection water to the Hanford Meteorological Station. This waterline will replace the deteriorated, existing line that is over 40 years old and has exceeded its original design life. It is anticipated that construction will complete by the end of September 2002.

SAFETY

Several actions have been initiated to improve safety performance including implementing a Zero Accident Council (ZAC) structure, which includes six directorate and 35 grass-roots level councils, and implementing a Safety Improvement Program. The OSHA Recordable Case Rate has been reset to Green since it has sustained seven consecutive months below average, which is a significant decrease. As of August 2002, Landlord and Site Services passed the two million safe hours mark.



MILESTONE ACHIEVEMENT FH CONTRACT MILESTONES

Number	Milestone Title	Type	Due Date	Actual Date	Forecast Date	Status/ Comments
LLP-01-535	L-339, PFP Water System Isolation - Install Sanitary Water to WRAP	RL	12/28/01	12/20/01	12/21/01	Completed.
LLP-01-515	L-276, Equipment bay Const. Phase II - Complete Construction of Project L-276	RL	6/14/02	6/6/02	6/14/02	Completed.

NOTE: Above data includes all TPA/DNFSB/Performance Incentive milestones as included in the FH baseline, and provides Contract-to-Date status.

PERFORMANCE OBJECTIVES

Nothing to report at this time.

FY 2002 SCHEDULE / COST PERFORMANCE – ALL FUND TYPES FY TO DATE STATUS – (\$000)

		FYTD							
	By PBS	BCWS	BCWP	ACWP	SV	%	CV	%	BAC
PBS SS02	Landlord Services	61,950	62,106	59,897	156	0.3%	2,209	3.6%	69,136
WBS 3.4.2.1									
PBS SS02	Analytical Services	31,285	30,614	28,657	(671)	-2.1%	1,957	6.4%	34,647
WBS 3.4.2.2									
PBS SS02	Infrastructure Upgrades	6,573	3,996	4,001	(2,577)	-39.2%	(5)	-0.1%	7,598
WBS 3.4.2.3									
PBS SS02	Landlord & Site Services	10,957	10,957	12,062	-	0.0%	(1,105)	-10.1%	12,105
WBS 3.4.2.4	Project Management & Support								
PBS SS02	Landlord & Site Services	(31,202)	(31,202)	(24,455)	-	0.0%	(6,747)	21.6%	(34,022)
WBS 3.4.2.4	Revenue								
Total SS02		79,563	76,471	80,162	(3,092)	-3.9%	(3,691)	-4.8%	89,464

FY TO DATE SCHEDULE / COST PERFORMANCE

For all active sub-PBSs and TTPs associated with the Operations/Field Office, Fiscal Year to Date (FYTD) Cost and Schedule variances exceeding + / - 10 percent or one million dollars require submission of narratives to explain the variance.

Schedule Variance Analysis: (-\$3.1M)

Landlord Services — 3.4.2.1/SS02

Description and Cause: The \$0.2M (0.3 percent) favorable schedule variance is within established threshold.

Impact: None.

Corrective Action: None.

Analytical Services — 3.4.2.2/SS02

Description and Cause: The \$0.7M (2.1 percent) unfavorable schedule variance is within established thresholds.

Impact: None.

Corrective Action: None.

Infrastructure Upgrades — 3.4.2.3/SS02

Description and Cause: The \$2.6M (39.2 percent) unfavorable schedule variance is due to the deferral, late start, or on hold status of many infrastructure construction activities (water line replacements, road refurbishments, electrical upgrades, facility upgrades, and radio frequency) and equipment replacements contracts due to FY 2002 funding issues. The negative schedule variance is skewed due to the completion of a fire truck in FY 2001 planned for completion in FY 2002 (fiscal year to date performance does not allow for performance from a prior year to count towards schedule completion in the current fiscal year).

Impact: The continued deferral of infrastructure upgrades and equipment may potentially impact other site operations due to unplanned failures to aging systems and add to outyear funding issues. Due to the late start, a number of upgrades are expected to continue into FY 2003, which will further impact expected FY 2003 funding shortfalls.

Corrective Action: Selected upgrades are proceeding. FY 2002 carryover workscope will be prioritized against FY 2003 planned workscope.

Landlord & Site Services Project Management & Support — 3.4.2.4/SS02

Description and Cause: None.

Impact: None.

Corrective Action: None.

Landlord & Site Services Revenue — 3.4.2.4/SS02

Description and Cause: None.

Impact: None.

Corrective Action: None.

Cost Variance Analysis: (-\$3.7M)

Landlord Services — 3.4.2.1/SS02

Description and Cause: The \$2.2M (3.6 percent) favorable cost variance is due to a reversal of FY 2001 steam over accrual, company level credit passbacks, diversion of resources to other funding sources, reduced materials and contract cost due to spending limitations, and delay in contract billings from Duratek and RL. The favorable variance is partially offset by a shortfall in services revenue (occupancy and fleet). The revenue shortfall is due to transfer of 2750-E facility to CHG, lag in billings, and inadequate funds in the indirect to direct conversion to support occupancy and fleet requirements.

Impact: None. Corrective action addressed potential yearend overruns in occupancy and fleet revenue.

Corrective Action: FH reallocation of funds has partially addressed projected occupancy and fleet revenue shortfalls. Contract billings are expected to align with projected cost.

Analytical Services — 3.4.2.2/SS02

Description and Cause: The \$2.0M (6.4 percent) favorable cost variance is due to realized cost efficiencies to achieve directed reductions, company level credit passbacks, delayed initiation of procurements related to facility and equipment reliability, redirection of resources to other funding sources, and significant labor variances due to absences, labor rate differentials, and staff vacancies. The favorable variance is partially offset by non-PHMC sample analysis revenue shortfalls.

Impact: None.

Corrective Action: Projected yearend passbacks expected to rectify revenue shortfalls.

Infrastructure Upgrades — 3.4.2.3/SS02

Description and Cause: The unfavorable cost variance is within established thresholds.

Impact: None.

Corrective Action: None.

Landlord & Site Services Project Management & Support — 3.4.2.4/SS02

Description and Cause: The \$1.1M (10.1 percent) unfavorable cost variance is due to increased procurement support, project maintenance center implementation, and reduction of force costs.

Impact: FH reallocation of funds and corrective actions initiated by the project have addressed the impacts of projected funds shortfall.

Corrective Action: None.

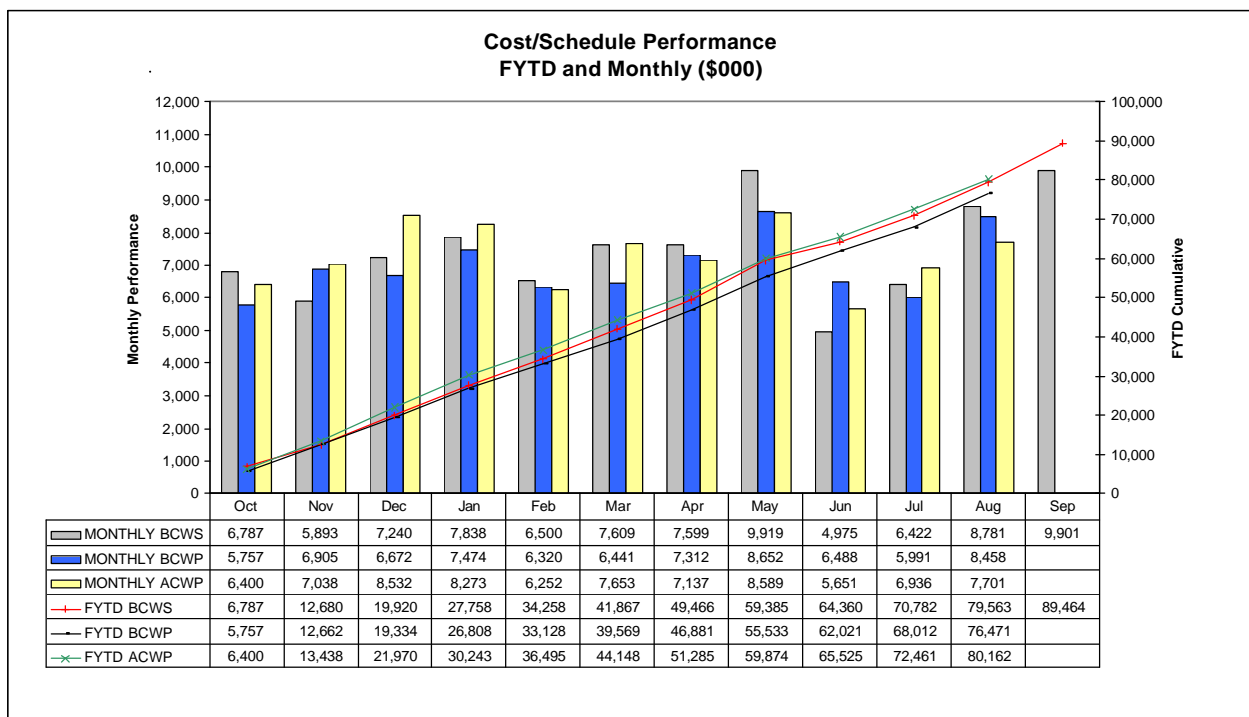
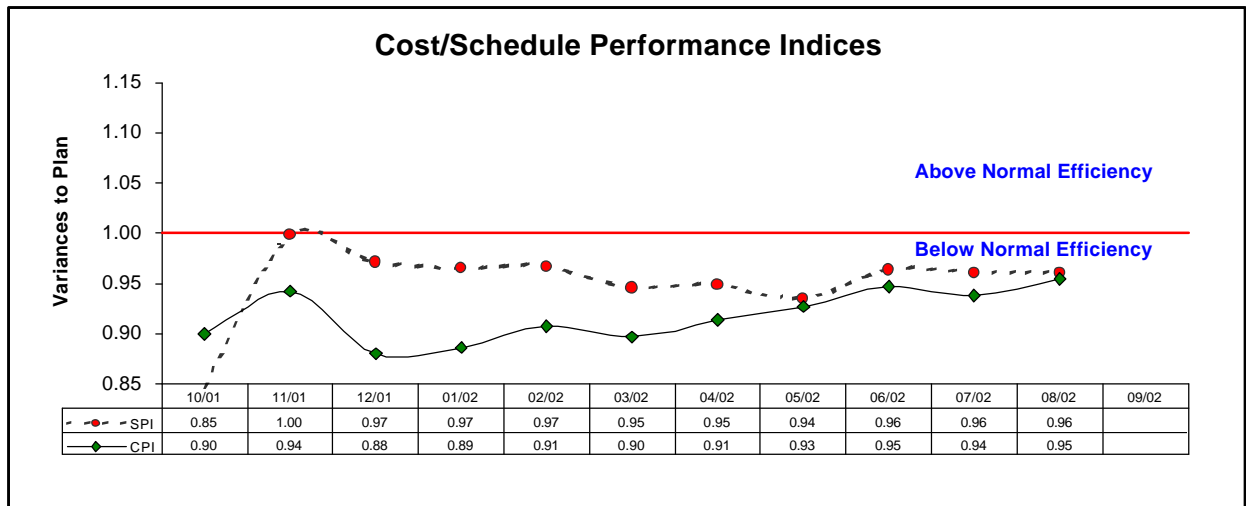
Landlord Services Revenue — 3.4.2.4/SS02

Description and Cause: The \$6.7M (21.6 percent) unfavorable cost variance is due to shortfalls in shared services revenue assessments to non-PHMC customers, variance in the planned versus actual direct distributable base, and a reduction in Fabrication Services direct labor adder. The maintenance, janitorial, and ESH&Q department overheads, originally assumed to be included in the shared service assessment to CHG direct distributable rate, is excluded because they were not classified as a shared service in FY 2001.

Impact: FH reallocation of funds and corrective actions initiated by the project have addressed the impacts of projected revenue shortfalls.

Corrective Action: None.

COST / SCHEDULE PERFORMANCE (MONTHLY AND FYTD)



FUNDS MANAGEMENT

FYTD FUNDS VS SPENDING FORECAST (\$000)

	Expected Funds	FYSF	Variance
3.4.2 Landlord & Site Services - SS02			
Project Completion - Operating	\$ 91,912	\$ 89,858	\$ 2,054
- Line Item			
Total	\$ 91,912	\$ 89,858	\$ 2,054

ISSUES

Technical, Regulatory, External, and DOE Issues and DOE Requests

Issue: Nothing to report at this time.

Impacts: None.

Corrective Action: None at this time.

BASELINE CHANGE REQUESTS CURRENTLY IN PROCESS

BCR No./ Level 4 WBS	Date Originated	Description	Impact		Date Approved	Status
			Days	Dollars (\$000s)		
SS02-02-020 3.4.2.2	2/5/02	RL Requested USQ Process Change Impacts on the 222-S Laboratory	0	5		In process.
SS02-02-025 3.4.2.1	3/8/02	Operation and Maintenance Responsibility of Lift Station Number One	0	0		In process.
SS02-02-029 3.4.2.3	4/4/02	Rebaseline Project L-347, VHF/UHF Narrowband Migration	0	365		In signature process.